

FROM 'BAIT & SWITCH' TO BEST THING FOR CITY RETIREES

Adams' Medicare Advantage Flip: From 'Bait & Switch' to 'Best' Thing for City Retirees

Steve Wishnia - Labor Press - 2/08/22

NEW YORK, N.Y.—Mayor Eric Adams announced Feb. 6 that he's endorsing the de Blasio administration's proposal to switch retired city workers' health coverage from traditional Medicare to a private Medicare Advantage plan — and the retirees who protested the change are not happy.

"The NYC Medicare Advantage Plus Plan unveiled last year — the product of many months of negotiations between the city and the Municipal Labor Committee, representing more than 100 unions — will continue to offer premium-free health coverage to retirees, along with new and enhanced benefits," Adams said in a statement. "I believe the new program will be in the best interest of retirees and the city's taxpayers, who stand to save \$600 million annually."



NYC Mayor Eric Adams now supports the further privatization of traditional Medicare coverage for municipal retirees.

"When he was a candidate, he called it a 'bait and switch,' but now he's going along with it," retired United Federation of Teachers member Gloria Brandman told LaborPress. "I can't say I was deeply surprised, but it was so very upsetting."

Currently, Medicare covers 80% of health-care costs for the about 245,000 retired city workers, and a private supplemental insurance program called Senior Care covers the other 20%. The proposal, the result of a deal in 2014 in which the unions in the Municipal Labor Committee agreed to find health-care savings, would move them to what is touted as an enhanced Medicare Advantage plan, in which retirees could see any health-care provider that takes Medicare.

Retirees would be able to stay with traditional Medicare if they want, but at a cost of \$191 a month per person covered.

The switch was supposed to go into effect Jan. 1, but has been delayed by a court challenge filed by the NYC Organization of Public Service Retirees. On Feb. 7, State Supreme Court Judge Lyle Frank, who issued the temporary restraining order delaying it last October, extended the order until after he hears oral arguments scheduled for Feb. 28 and makes a decision.

The suit's three main arguments, says Marianne Pizzitola, president of the NYC Organization of Public Service Retirees, are that the plan's rollout, with retirees given inadequate information; that the switch might reduce their health care; and that the city and the municipal unions do not have the right to cut benefits for people who have already retired.

DC37 AFSCME, Pizzitola's union — she is president of the FDNY EMS Retirees' Association, for paramedics and emergency medical technicians — does not allow retirees to vote in union elections, she says. If the city and the Municipal Labor Committee wanted to negotiate a change in health benefits for current workers, she says, they could, but if she can't vote out union officials who agreed to a bad deal, "I have no due process."

"Nobody ever asked the retirees what they wanted. We're still being left out of the entire process," says Sarah Shapiro, a recent UFT retiree who has organized protests with the Cross-Union Retirees Organizing Committee (CROC).

In a Jan. 28 letter to City Councilmember Shaun Abreu (D-Manhattan), Municipal Labor Committee chair Harry Nespoli accused plan opponents of spreading "erroneous and misleading" information. "Over 90% of the doctors currently utilized by our retirees" are already in the plan's network," he contended. "We have also ensured the participation of major hospital systems in places like Florida and the Carolinas, where many of our members have relocated." He dismissed the opponents as "so-called retiree groups" who represent "a small fraction of the retiree community."

Nespoli said it was not true that the MLC can't negotiate changes for retirees. It has been negotiating health-care benefits for active employees and retirees for more than 40 years, he wrote, and unlike pension benefits, they "are not frozen either by state constitution or statute upon hiring or retiring. That is why there are numerous tiers for pension benefits and none for health care."

It's tricky to try to prove that the "Medicare Advantage Plus" plan will be worse than what retirees have now, says Brandman, but **privately administered plans have "more wiggle room" to deny or delay services — and they have a profit motive to do so.** One change, opponents say, is that Medicare Advantage Plus will require a copayment of at least \$15 to see a specialist, and it won't pay for more than 80 procedures, tests, and supplies, from physical therapy to MRI scans without prior authorization.

"This is going in the wrong direction, toward privatization," says Brandman. And doctors out of state are less likely to accept the plan, she adds.

Stuart Eber, president of the Council of Municipal Retiree Organizations, finds the \$191-a-month charge to keep traditional Medicare particularly unfair. The group's founding principle, he says, is "no diminution, no privatization" of Social Security or Medicare.

"We don't think it's right that people have to pay for something they don't have to pay for now," he told LaborPress.

That charge will especially hit lower-paid workers, he adds. **The average city worker's pension is \$33,000 a year, but for retired school-cafeteria or public-housing maintenance workers, it's often less than \$20,000. For them, an extra \$2,300 a year — twice that for a couple — is a lot of money.**

"They're being forced. They have no economic choice," he says. "That's wrong."

Pizzitola speaks of a retired police officer in his eighties, living with his wife on a small fixed income because he retired more than 40 years ago, whose disabled adult daughter is in a facility in Queens that doesn't take Medicare Advantage. It would cost him more than \$570 a month for the three of them to stay on traditional Medicare.

"We had years of zero-zeroes that we took to preserve our benefits," she says. "We were the givebacks."

There have also been questions about whether Memorial Sloan Kettering Cancer Center will accept Medicare Advantage plans. In January, the spouse of a retired schoolteacher receiving treatment at the hospital opened a bill that warned, "It is important to know that MSKCC's Hospital and Doctors are not providers in any Medicare Advantage Networks."

Hospital public-relations director John Connolly told LaborPress that is incorrect.

"As of January 1, 2022, MSK is in-network with some Medicare Advantage plans, including plans offered by the Empire Blue Cross Blue Shield and Emblem networks," he wrote in an email Connolly added that Empire Medicare Advantage members "will have continued access to care" at MSK's New Jersey sites.

CROC is planning a rally at City Hall Feb. 14, Brandman says. It also hopes that Comptroller Brad Lander, who last year told the group that "the city should not achieve its labor savings by taking critical health-care options away from current retirees, many of whom are on fixed incomes," will step in.

While the comptroller reviews city contracts, the city charter gives the mayor the power to override his objections, his office told LaborPress.

"Comptroller Lander shares the concerns of retirees about the possibility of losing access to timely, quality health care," it said. "He is glad the deadline to opt out was pushed back so that retirees could get more information about how they will be impacted."

"There should have been other ways to cut costs than to throw old and frail and sick retirees under the bus," says Shapiro.
